

**Senate File 83 - Introduced**

SENATE FILE 83  
BY BISIGNANO

**A BILL FOR**

1 An Act providing a property assessment adjustment and a  
2 property tax adjustment for certain property of persons  
3 who have attained the age of seventy, applying income  
4 limitations, providing a penalty, and including retroactive  
5 and other applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 425B.1 Homestead assessed value  
2 adjustment — purpose.

3 Persons who own their homesteads and who meet the  
4 qualifications provided in this chapter are eligible for  
5 an adjustment in the assessed value of their homesteads or  
6 an adjustment of the amount of taxes levied against their  
7 homestead, as provided in this chapter, to prevent an increase  
8 in such values or an increase in the amount of taxes levied.

9 Sec. 2. NEW SECTION. 425B.2 Definitions.

10 As used in this chapter, unless the context otherwise  
11 requires:

12 1. "*Assessed value*" means the actual value prior to any  
13 adjustment pursuant to section 441.21, subsection 4.

14 2. "*Base assessment year*" means the assessment year  
15 beginning in the base year.

16 3. "*Base year*" means the calendar year last ending before  
17 the claim is filed.

18 4. "*Claimant*" means a person filing a claim for adjustment  
19 under this chapter who has attained the age of seventy years  
20 on or before December 31 of the base year and is domiciled in  
21 this state at the time the claim is filed or at the time of the  
22 person's death in the case of a claim filed by the executor or  
23 administrator of the claimant's estate.

24 5. "*Earned income*" means the same as defined in section 32  
25 of the Internal Revenue Code.

26 6. "*Homestead*" means the dwelling owned and actually used  
27 as a home by the claimant during at least six months of the  
28 base year and each of the nine years immediately preceding the  
29 base year, and so much of the land surrounding it, including  
30 one or more contiguous lots or tracts of land, as is reasonably  
31 necessary for use of the dwelling as a home, and may consist  
32 of a part of a multidwelling or multipurpose building and a  
33 part of the land upon which it is built. It does not include  
34 personal property except that a manufactured or mobile home  
35 may be a homestead. Any dwelling or a part of a multidwelling

1 or multipurpose building which is exempt from taxation does  
2 not qualify as a homestead under this chapter. A homestead  
3 must be located in this state. When a person is confined in a  
4 nursing home, extended-care facility, or hospital, the person  
5 shall be considered as occupying or living in the person's  
6 homestead if the person is the owner of the homestead and the  
7 person maintains the homestead and does not lease, rent, or  
8 otherwise receive profits from other persons for the use of the  
9 homestead.

10 7. "Owned" means owned by an owner as defined in section  
11 425.11.

12 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

13 The right to file a claim for an assessed value adjustment  
14 under this chapter may be exercised by the claimant or on  
15 behalf of a claimant by the claimant's legal guardian, spouse,  
16 or attorney, or by the executor or administrator of the  
17 claimant's estate. If a claimant dies after having filed a  
18 claim for adjustment, the amount of any adjustment shall be  
19 made as if the claimant had not died.

20 Sec. 4. NEW SECTION. 425B.4 Claim for adjustment.

21 1. Subject to the limitations provided in this chapter,  
22 a claimant may annually claim an adjustment of the assessed  
23 value of the claimant's homestead for the base assessment year.  
24 The adjustment claim shall be filed with the county assessor  
25 between January 1 and February 15 immediately following  
26 the close of the base assessment year. However, in case of  
27 sickness, absence, or other disability of the claimant, or  
28 if in the judgment of the county assessor good cause exists,  
29 the county assessor may extend the time for filing a claim for  
30 adjustment through June 30 of the same calendar year.

31 2. The county assessor shall notify the department of  
32 revenue by March 1 of the number of claimants receiving  
33 adjustments under this chapter and the total amount of the  
34 reduced assessed values for the base assessment year.

35 Sec. 5. NEW SECTION. 425B.5 Adjustment — maximum tax

1 dollars levied.

2 1. If the earned income qualification specified in  
3 subsection 2 is met, the assessed value of the claimant's  
4 homestead in the base assessment year shall be adjusted, but  
5 not increased, to equal the assessed value, as such assessed  
6 value may have been adjusted pursuant to this chapter, in  
7 the assessment year preceding the base assessment year. If  
8 the amount of property taxes levied against the adjusted  
9 assessment exceeds the amount of property taxes levied against  
10 the property in the fiscal year for which taxes were first  
11 levied against an adjusted assessment under this chapter, the  
12 treasurer shall subtract the difference from the amount due.

13 2. A claimant is eligible for an adjustment to the assessed  
14 value of the claimant's homestead if the claimant's household  
15 earned income is less than twelve thousand dollars in the base  
16 year.

17 Sec. 6. NEW SECTION. 425B.6 Administration.

18 The director of revenue shall make available suitable forms  
19 for claiming an assessed value adjustment with instructions  
20 for claimants. Each assessor and county treasurer shall make  
21 available the forms and instructions. The claim shall be in a  
22 form as the director may prescribe.

23 Sec. 7. NEW SECTION. 425B.7 Proof of claim.

24 1. Every claimant shall give the department of revenue, in  
25 support of the claim, reasonable proof of:

26 a. Age.

27 b. Changes of homestead.

28 c. Size and nature of the property claimed as the homestead.

29 d. Household earned income.

30 2. The director of revenue may require any additional proof  
31 necessary to support a claim.

32 Sec. 8. NEW SECTION. 425B.8 Audit — denial.

33 If on the audit of a claim for adjustment under this  
34 chapter, the director of revenue determines the claim is not  
35 allowable, the director shall notify the claimant of the denial

1 and the reasons for it. The director shall not deny a claim  
2 after three years from October 31 of the year in which the  
3 claim was filed. The director shall give notification to the  
4 county assessor of the denial of the claim and the county  
5 assessor shall instruct the county treasurer to proceed to  
6 collect the tax that would have been levied on the applicable  
7 adjusted assessed value in the same manner as other property  
8 taxes due and payable are collected, if the property on which  
9 the adjustment was granted is still owned by the claimant.  
10 However, if the claim was incorrectly allowed due to a clerical  
11 error, error by a person other than the claimant, or an  
12 innocent misrepresentation by or on behalf of the claimant, the  
13 proceedings to collect the tax shall be limited to the taxes  
14 due and payable in the twelve months immediately preceding the  
15 disallowance.

16 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

17 1. A claimant shall expressly waive any right to  
18 confidentiality relating to all income tax information  
19 obtainable through the department of revenue including all  
20 information covered by sections 422.20 and 422.72. This waiver  
21 shall apply to information available to the county assessor who  
22 shall hold the information confidential except that it may be  
23 used as evidence to disallow the assessed value adjustment.

24 2. The department of revenue may release information  
25 pertaining to a person's eligibility or claim for or receipt of  
26 the assessed value adjustment to an employee of the department  
27 of inspections and appeals in the employee's official conduct  
28 of an audit or investigation.

29 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

30 A person who makes a false affidavit for the purpose of  
31 obtaining an adjustment in assessed value provided for in  
32 this chapter or who knowingly receives the adjustment without  
33 being legally entitled to it or makes claim for the adjustment  
34 in more than one county in the state without being legally  
35 entitled to it is guilty of a fraudulent practice. The claim

1 for adjustment shall be disallowed in full and property tax  
2 shall be levied on the disallowed adjustment at the rate that  
3 would have been levied but for the adjustment. The director of  
4 revenue shall send a notice of disallowance of the claim.

5 Sec. 11. NEW SECTION. **425B.11 Notices.**

6 Section 423.39, subsection 1, shall apply to all notices  
7 under this chapter.

8 Sec. 12. NEW SECTION. **425B.12 Appeals.**

9 Any person aggrieved by an act or decision of the director  
10 of revenue or the department of revenue under this chapter  
11 shall have the same rights of appeal and review as provided in  
12 sections 421.1 and 423.38 and the rules of the department of  
13 revenue.

14 Sec. 13. NEW SECTION. **425B.13 Disallowance of certain**  
15 **claims.**

16 A claim for adjustment shall be disallowed if the department  
17 finds that the claimant or a person of the claimant's household  
18 received title to the homestead primarily for the purpose of  
19 receiving benefits under this chapter.

20 Sec. 14. NEW SECTION. **425B.14 Rules.**

21 The director of revenue shall adopt rules in accordance with  
22 chapter 17A for the interpretation and administration of this  
23 chapter, including rules to prevent and disallow duplication of  
24 benefits and to prevent any unreasonable hardship or advantage  
25 to any person.

26 Sec. 15. **APPLICABILITY.** This Act applies retroactively to  
27 January 1, 2015, for assessment years beginning on or after  
28 that date and to the filing of claims on or after January 1,  
29 2016, for adjustments of assessed values.

30 **EXPLANATION**

31 The inclusion of this explanation does not constitute agreement with  
32 the explanation's substance by the members of the general assembly.

33 This bill provides for an adjustment in the assessed value  
34 of a homestead, as defined in the bill, if the owner has owned  
35 the homestead for at least 10 years and is a person who is 70 or

1 older and who has household earned income of less than \$12,000  
2 per year. If the qualifications established in the bill are  
3 met, the assessed value of the homestead upon which property  
4 taxes are levied in a fiscal year is the same assessed value as  
5 for the previous fiscal year. The bill specifies that assessed  
6 value is that value prior to any rollback being applied.

7 The bill further provides that if the amount of property  
8 taxes levied against the adjusted assessment exceeds the amount  
9 of property taxes levied against the property in the fiscal  
10 year for which taxes were first levied against an adjusted  
11 assessment under the bill, the county treasurer is required to  
12 subtract such difference from the amount due.

13 The bill provides that a person who makes a false affidavit  
14 for the purpose of obtaining an adjustment, knowingly receives  
15 the adjustment without being legally entitled to it, or makes  
16 claim for the adjustment in more than one county without being  
17 legally entitled to it is guilty of a fraudulent practice and  
18 is subject to a criminal penalty.

19 The bill applies retroactively to January 1, 2015, for  
20 assessment years beginning on or after that date and applies to  
21 claims filed on or after January 1, 2016, for the adjustments.